

Message Text

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ORIGIN DOE-15

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-11
ACDA-12 CIAE-00 INR-10 IO-14 L-03 NSAE-00 NSC-05
EB-08 NRC-07 OES-07 SOE-02 DODE-00 SS-15 SP-02
CEQ-01 PM-05 TRSE-00 COME-00 SIG-03 /169 R

DRAFTED BY USDOE:IA:JGARRETT:WY
APPROVED BY OES/NET:DHOYLE
USDOE:IA:HBENGELSDORF
IO/SCT: A JILLSON
NEA/RA: R O PRICKETT
EA/RA: L MCNUTT
EUR/RPE: W SALISBURY
ACDA: R WILLIAMSON
OES/NET/EIC: D COOPER
PM: G OPLINGER (INFO)
-----088249 160222Z /61

R 151913Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY VIENNA
AMEMBASSY BRUSSELS
AMEMBASSY BRASILIA
AMEMBASSY CAIRO
AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY ATHENS
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
AMEMBASSY ROME
AMEMBASSY TOKYO
AMEMBASSY SEOUL
AMEMBASSY MEXICO
AMEMBASSY THE HAGUE
AMEMBASSY MANILA
AMEMBASSY LISBON
AMEMBASSY PRETORIA
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AMEMBASSY MADRID
AMEMBASSY STOCKHOLM
AMEMBASSY BERN
AMEMBASSY TAIPEI
AMEMBASSY BANGKOK
AMEMBASSY ANKARA
AMEMBASSY BELGRADE

AMEMBASSY CANBERRA

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USIAEA, USEEC, AND ALSO FOR EMBASSIES

E.O. 11652: N/A

TAGS: TECH

SUBJECT: NEW ENRICHMENT SERVICES CONTRACT

REF: ATHENS 4891

1. THE SECRETARY OF ENERGY ANNOUNCED ON MAY 26, 1978, THAT THE DEPARTMENT OF ENERGY (DOE) IS REOPENING THE ORDER BOOKS FOR PROVIDING URANIUM ENRICHMENT SERVICES. THE FOLLOWING IS QUOTED FROM THE PRESS ANNOUNCEMENT, RELEASED ON THE SAME DAY.

QUOTE THIS ACTION COMES AFTER LONG-TERM CONTRACTING FOR ENRICHMENT SERVICES WAS SUSPENDED ON JUNE 30, 1974, BECAUSE THE CAPACITY OF THE GOVERNMENT'S THREE GASEOUS DIFFUSION PLANTS WAS FULLY COMMITTED. REOPENING THE ORDER BOOKS IS POSSIBLE BECAUSE THE GOVERNMENT IS PROVIDING ADDITIONAL ENRICHMENT CAPACITY. UNQUOTE

QUOTE REOPENING THE ORDER BOOKS WILL BE SUPPORTIVE OF US UNCLASSIFIED

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COOPERATIVE ARRANGEMENTS WITH A WIDE NUMBER OF NATIONS. TOGETHER WITH A PROPOSED MORE ATTRACTIVE ADJUSTABLE FIXED-COMMITMENT (AFC) CONTRACT, THIS ACTION UNDERSCORES THE DETERMINATION OF THE U.S. TO REMAIN A MAJOR AND RELIABLE SUPPLIER OF ENRICHMENT SERVICES WHEN APPROPRIATE NON-PROLIFERATION CRITERIA ARE MET. UNQUOTE

QUOTE DURING THIS PERIOD OF TIME DOE WILL PUBLISH A REVISION TO ITS URANIUM ENRICHMENTS SERVICES CRITERIA TO TAKE INTO ACCOUNT THE ENRICHMENT CAPACITY WHICH WILL BE PROVIDED BY THE NEW GASEOUS CENTRIFUGE ENRICHMENT PLANT BEING BUILT AT PORTSMOUTH, OHIO. UNQUOTE

QUOTE THE AFC CONTRACT IS DESIGNED TO PROVIDE DOE ENRICHMENT CUSTOMERS WITH FLEXIBILITY IN SCHEDULING REQUIREMENTS, QUANTITY VARIATIONS AND SHORTER LEAD TIME FROM CONTRACT EXECUTION TO INITIAL DELIVERY OF ENRICHED URANIUM. UNQUOTE

QUOTE NEW CUSTOMERS WILL BE REQUIRED TO USE THE AFC CONTRACT FOR ENRICHMENT SERVICES.

THE AFC CONTRACT IS ONE STEP TOWARD IMPLEMENTING THE
U.S. NUCLEAR POWER POLICY OBJECTIVES OF ASSURED NUCLEAR
FUEL SUPPLY ON ATTRACTIVE TERMS AND CONDITIONS. UNQUOTE

QUOTE THE REVISED CRITERIA WILL PERMIT DOE TO INCLUDE
IN THE NEW CONTRACTS A VARIABLE "TAILS ASSAY" OPTION
WHICH WOULD PERMIT CUSTOMERS TO CHANGE THE AMOUNT OF
ENRICHED URANIUM PRODUCT THEY RECEIVE BY VARYING THE
AMOUNT OF URANIUM FEED DELIVERED TO THE ENRICHMENT
PLANT. UNQUOTE

2. TEXT OF NEW AFC CONTRACT, WHICH CURRENTLY IS IN DRAFT-
ING STAGE IS NOW SCHEDULED TO BE RELEASED IN JULY, AT
WHICH TIME COPIES WILL BE FORWARDED TO POSTS.
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3. POSTS ARE REQUESTED TO INFORM INTERESTED PARTIES OF
THE GIST OF ABOVE AS OPPORTUNITIES OCCUR. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Draft Date: 15 jun 1978
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Decaption Note:
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Disposition Approved on Date:
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Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Review Release Event: n/a
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Secure: OPEN
Status: NATIVE
Subject: NEW ENRICHMENT SERVICES CONTRACT
TAGS: TECH
To: VIENNA BRUSSELS MULTIPLE
Type: TE
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